STAND. COM. REP. NO. 2181

Honolulu, Hawaii

FEB 1 1 2014

RE: S.B. No. 2657 S.D. 1

Honorable Donna Mercado Kim President of the Senate Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 2657 entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to transfer the responsibility for the warranty of the area of a roof on which a solar energy device has been installed from the roofing contractor to the solar contractor that installs the solar energy device.

Your Committee received testimony in support of this measure from Hawaii Solar Energy Association, Hawaii PV Coalition, Sierra Club of Hawaii, and R & R Solar Supply. Your Committee received testimony in opposition to this measure from Roofing Contractors Association of Hawaii.

Your Committee finds that currently, a homeowner who wants to install a solar system on the homeowner's roof must obtain confirmation in writing from the company that issued the warranty for the roof that the installation of the solar energy device will not void the roof warranty. This requirement serves as a difficult obstacle, especially for homeowners whose properties fall under the control of a homeowner's association, since most roofing contractors are not willing to warranty the work of another contractor. This also creates a frustrating position for the homeowner, who is unable to obtain confirmation from the roofing contractor and, thus, cannot install a solar energy device.

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Your Committee has amended this measure by deleting the amendments made to section 196-7, Hawaii Revised Statutes, and inserting language in the same section to specify that:

- (1) A contractor that installs a solar energy device on a roof that is under an existing roof warranty or guarantee shall notify the private entity that installation might void the roofing guarantees or warranties;
- (2) The private entity can either:
 - (A) Forgo the roofing warranty or guarantee in writing, which the contractor installing a solar energy device shall obtain; or
 - (B) Not forgo the roofing warranty or guarantee, which then requires the contractor installing the solar energy device to obtain written approval from the roofing manufacturer and follow written instructions for waterproofing roof penetrations from the roofing manufacturer or coordinate waterproofing with the contractor that issued the guarantee or warranty;
- (3) If waterproofing for roof penetrations related to the installation of a solar energy device is done by the roofing manufacturer that issued the existing roof guarantee or warranty, the roof warranty or guarantee shall remain valid;
- (4) If the contractor installing the solar energy device waterproofs the roof penetrations, the contractor's standard labor and workmanship warranty shall apply to the penetrations; and
- (5) The homeowner shall provide the private entity with a copy of the applicable guarantee or warranty related to the installation of a solar energy device.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2657, as amended herein, and recommends that it pass

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Second Reading in the form attached hereto as S.B. No. 2657, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

> Respectfully submitted on behalf of the members of the Committee on Energy and

Environment,

MIKE GABBARD, Chair

The Senate Twenty-Seventh Legislature State of Hawai'i

Record of Votes Committee on Energy and Environment ENE

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Bill / Resolution No.:* SB 2657	Committee I		Da	te: 14"	
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The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)		\times			
RUDERMAN, Russell E. (VC)		X			
CHUN OAKLAND, Suzanne		7			X
IHARA, Jr., Les		X			
SLOM, Sam		•			X
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TOTAL		3			2
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original File with Committee Re			denrod ee File Copy		

*Only one measure per Record of Votes